GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:7332
ANSWERED ON:12.05.2000
NIE SYSTEM
UMMAREDDY VENKATESWARLU

Will the Minister of TEXTILES be pleased to state:

(a) whether Government are considering to abolish the New Investor Entitlement (NIE) system for readymade garments;

(b) if so, the reasons for abolishing this system;

(c) whether any study has been made regarding impact of such a change;

(d) if so, the details thereof;

(e) the main aspects of the NIE system; and

(f) the details of funds allocated/released under this system during the last year ?

Answer

MINISTER OF STATE FOR TEXTILES

(SHRI GINGEE N. RAMACHANDRAN)

(a) No, Sir.

(b) to (d) Do not arise, in view of (a) above.

(e) As per Garments and Knitwears Export Entitlement (Quota) Policy (2000-2004), 15% of the Annual Level has been earmarked for New Investors Entitlement (NIE) SystemAllotments under the NIE system would be made only to exporters registered as manufacturer-exporters who have invested a minimum amount of Rs.50 lakhs in new machineries either in existing unit or in a new unit. The NIE has been linked to Technology Upgradation Fund Scheme (TUFs). Further, it has been made non-transferable.

(f) Funds are not allocated/released under the Quota Policy for any system including NIE system.